

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency

P.O. Box 2415

Washington, DC 20013-2415

Notice FC-32

1924-B and 1980-B

For: State and County Offices

**Borrower Training Requirements**

Approved by: Deputy Administrator, Farm Credit Programs

*Susanne Kling*

**1 Overview**

**A**

**Background**

Regulations implementing the borrower training program became effective February 28, 1994. The regulations implement statutory requirements for attending training in farm and financial management concepts, unless a waiver is granted. These requirements affect:

- all borrowers receiving Farm Credit Programs loan assistance, both direct and guaranteed loans
- recipients of primary servicing actions.

**B**

**Statutory  
Requirements**

Borrower shall comply with either of the following:

- sign FHA 1924-23 before loan closing or before offering primary loan servicing action

**Note:** Borrower is allowed 2 years from the date of the agreement to complete the required training program. However, because of the time required to locate vendors to provide the training and to get the program established, Field Offices were directed to wait until a vendor had been approved before requiring the borrower to sign the agreement.

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**Disposal Date**

February 1, 1997

**Distribution**

State Offices; State Offices relay to County  
Offices and Ag Credit Teams

**1 Overview (Continued)**

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**B  
Statutory  
Requirements  
(Continued)**

- be granted a waiver.

**Note:** Waiver qualifications for:

- direct loan program requirements are in FHA Instruction 1924-B
  - guaranteed loan program requirements are in FHA Instruction 1980-B.
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**C  
Purpose**

This notice provides guidance on handling requests from applicants who previously agreed to complete borrower training, as a condition of receiving assistance.

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**D  
Contact**

State Offices shall direct questions about this notice to LMD through the Area Office.

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## 2 Requests for Additional Assistance

### A

#### Additional Assistance Approved

Applicants are eligible for additional assistance when the following criteria applies.

IF . . .	AND . . .	THEN . . .
applicant requests assistance within the 2-year period allowed to complete the borrower training requirement		applicant must be enrolled in and attending an approved training course.
borrower agrees to complete training and has enrolled in approved classes  <b>Note:</b> Borrower makes an honest effort to enroll.	borrower was unable to actually attend training because of cancellation, postponement, or other unforeseen circumstances	borrower has met the "enrolled in and attending" rule. However, borrower is still responsible for completing the required training as soon as it becomes available.
borrower is unable to complete the required training courses within the 2-year period because of circumstances beyond the borrower's control		Ag Credit Team manager may grant a 1-year extension to allow additional time to complete the required training.
borrower requests assistance after the 2-year period has expired	Ag Credit Team manager has not granted a 1-year extension	borrower must have successfully completed an approved training course to be eligible for assistance.

### B

#### Additional Assistance Denied

If an extension has not been granted, applicant will be determined ineligible for future assistance because the terms of FHA 1924-23 have not been fulfilled. When this happens, the applicant will be sent a rejection letter specifying:

- date applicant signed FHA 1924-23
- expiration date of the allowed 2-year period to complete the course
- appeal rights.

**Note:** A copy of the signed agreement may be included as an attachment to the rejection letter.